

Most utilities in North Carolina have just engaged in upgrading their metering infrastructure to AMR so that many, if not most, customer meters may be read remotely. The Commission believes that it would not be cost-effective to remove large numbers of relatively new meters and replace them with more advanced technology. At some point, however, existing residential meters will approach the end of their useful lifespan and need to be replaced. The Commission, therefore, encourages utilities to continue to evaluate AMI and looks forward to receiving reports from Duke and Dominion on the results of their ongoing pilot programs. Ultimately, the utilities and the Commission may wish to consider installing smart meters for all residential customers along with the development of rates that take advantage of such advanced metering. This increased deployment of AMI should lead to lower unit costs for these meters and increased participation in time-differentiated rates. At that point the utilities may find it appropriate to consider making AMI technology the standard meter technology for residential use.

Lastly, the Commission recommends that utilities aggressively pursue opportunities for increased demand response, both in conjunction with, and, if possible, prior to, deployment of smart meters and AMI. Demand response programs have a tremendous potential to impact peak demand and should be fully utilized by utilities.